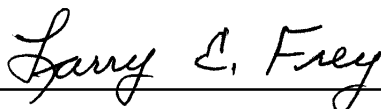


For: County Offices

FY 2003 Performance Goals for Farm Loan Programs

Approved By: State Executive Director

LEF:LEV:lv



1 Overview

A

Background

Farm Service Agency's (FSA's) Farm Loan Programs (FLP) provide assistance to eligible individuals and families to help them become successful farmers and ranchers, and recover from the effects of natural disasters, through supervised credit, outreach, and technical assistance.

Annual performance goals are an important tool in helping FSA employees deliver FLP assistance as described above, accomplish the Agency's mission, and focus effort on activities that will result in accomplishing the objectives set forth in the Agency's 5-year Strategic Plan. Accomplishment of annual program goals improves the success of our borrowers and reduces costs while helping strengthen the family farm.

B

Objectives

The primary objectives of our FLP Performance Goals are to :

- increase the number of operations remaining economically viable
- reduce losses in the loan programs
- make the most efficient use of available financial, human, and technological resources
- maintain financial and technical assistance to traditionally underserved groups.

Continued on the next page

FILING: Preceding FmHA Instruction 1951-A

Disposal

Distribution

November 1, 2003

STO, DD, COR, COC, COF - Including Farm Loan Programs

03-06-03

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1 Overview, *Continued*

C

Purpose

The purpose of this Oregon Notice is to:

- inform FSA employees of the performance levels achieved in Oregon for FY 2002's FLP Performance Goals
 - advise FSA employees of the changes that have occurred in FLP Performance Goals for FY 2003
 - communicate the FLP Performance Goals that have been established for Oregon during FY 2003.
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2 Performance Goals

A

Loan Making Goals

FY 2003 National and State Loan Making goals, and FY 2002 State achievement levels, are shown in the following table.

Goal Number		FY '02 - '03 National Goal	Oregon		
			FY 02 Goal	FY 02 Actual	FY 03 Goal
1	a	Reduce 1st Yr. delinquency rate on new loans by 12.5%	13.50%	5.30%	5.30%
	b	Reduce 1st Yr. delinquency rate on restructured loans by 6%	15.00%	11.10%	N/A
2		(Goal discontinued in FY '02)	N/A	N/A	N/A
3		Increase No. of FO & OL loans made to SDAs by 20%	47 Loans	31 Loans	47 Loans
4	a	Reduce direct loan processing time to an average of 15 days	15 Days	15 Days	15 Days
	b	Reduce guaranteed loan processing time by 15%	4 Days	15 Days	14 Days
5		Increase Dir & Guar Beg Farmer FO & OL loans to 30% of total	136 Loans	157 Loans	157 Loans

Continued on the next page

2 Performance Goals, *Continued*

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Loan Making Goals, *Continued*

Note: Loan Making Goal 1a includes all new loans made during the previous calendar year (2002), *including* all loans made the previous year in which a delinquency was removed by restructuring the new loan. Loan Making Goals 1 b and 2 have been eliminated. Loan Making Goal 4 b groups SEL, CLP, and PLP lenders together, and average days are calculated from the date the application was received until the date of final disposition by FSA.

B

Loan Servicing Goals

FY 2003 National and State Loan Servicing goals, and FY 2002 State achievement levels, are shown in the following table.

Goal Number	FY '02 - '06 National Goal	Oregon		
		FY 02 Goal	FY 02 Actual	FY 03 Goal
1	Reduce direct loan dollar delinquency rate to 12.4% or less	11.80%	4.70%	11.2%
2	Reduce loss rate on direct loans to 4.3% or less	3.90%	6.30%	3.70%
3	Reduce guaranteed loss rate at to 1.783 % or less	1.940%	1.159%	1.880%
4	Process 80% of complete primary loan servicing requests within 60 days	80.00%	86.78%	80.00%

C

Monitoring Goal Achievement

Progress toward achieving the annual performance goal levels established for Oregon will be monitored using the following:

- Executive Information System (EIS) reports
 - FOCUS ad hoc reports
 - GLS reports
 - Finance Office reports, (i.e. RC 540)
 - Manually generated reports from County Offices.
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3 Action

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Familiarization

All FSA field office personnel must familiarize themselves with the contents of this Oregon Notice. The setting of annual performance goals is intended to place focus on the FLP program areas in greatest need of attention, beginning at the County Office level. The priority given to these areas of work must be elevated to assure success.

FLP work processes and demands change during the year, but equal effort is required throughout the year to accomplish the goals that have been established. Uniform attention to collections and timely primary and preservation loan servicing provide incentives for borrowers to maintain current loan accounts.

B

State Office Action

The FLP staff in the State Office is responsible for:

- providing available EIS, FOCUS, and GLS ad hoc reports to the field staff on a monthly basis
 - monitoring the State's goal performance, and reporting results in State Staff minutes
 - compiling manual goal reports received from County Offices, and reporting the combined results to the National Office
 - concluding accelerated accounts and debt settlement cases
 - providing guidance and assistance to field staff when needed.
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Continued on the next page

3 Action, *Continued*

C

District Director Action

During County Office visits and District Director Oversight Visits, District Directors must devote attention to reviewing the County Office's progress and contribution toward achieving the goals set forth in this Oregon Notice. Report Code 540, AGCREDIT Current Activity Reports, MAC Workload Scheduling Reports, GLS reports, and the monthly goal reports distributed by the State Office, must be reviewed periodically with FLMs, FLOs, CEDs, and PTs responsible for the FLP program area to assure that delinquent accounts are being serviced in a *timely* and expeditious manner.

During the periodic reviews, attention should be given to the following items:

- small delinquent balances that can reasonably be collected before primary and preservation loan servicing notices are required to be sent
 - primary loan servicing requests not completed within 60 days
 - improper flags on accounts
 - accounts ready for acceleration or referral to the State Office
 - errors needing Finance Office correction.
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Farm Loan Manager Action

Farm Loan Managers will review the following reports with their FLOs, CEDs, and PT responsible for the FLP program on at least a monthly basis for the purpose of monitoring each County Office's accomplishments toward achieving desired goal results:

- Report Code 540
 - MAC (formerly AGCREDIT) Current Activity Report
 - MAC (formerly MRS) Workload Scheduling Report
 - GLS Application Reports
 - Monthly goal reports distributed by the State Office staff.
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E

County Executive Director & County Office Action

County Executive Directors will participate in the reviews described in Paragraphs 3 C and D of this Oregon Notice, and help assure that loan making and loan servicing activities assigned to themselves and other FSA employees in the County Office are carried out in a timely and expeditious manner.

4 Reports

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Loan Servicing Goal 4 Report

Manual reporting is necessary to enable the State Office to report Oregon's progress in achieving Loan Servicing Goal No. 4. Our goal is to process 80 percent of our complete primary loan servicing applications within 60 days.

With the assistance of CEDs and PTs responsible for the FLP programs, FLMS need to ensure the accurate completion Exhibit 1 of this Oregon Notice, "FY 03 Primary Loan Servicing Processing Time," for each County Office in their area of jurisdiction. The completed Exhibit 1 for each County Office should reflect the status of primary loan servicing requests at the end of each remaining quarter during FY 2003, (i.e. March 31, June 30, and September 30).

Note: The reports are cumulative, so the new quarter's activity can be reported below the entries made on the previous quarter's report for the County Office.

The completed reports on Exhibit 1 should be forwarded to the FLP Section in the State Office within 5 working days of the close of each quarter.

FLMs need to follow up with CEDs, and assist as needed to assure that quarterly reports are completed accurately, completely, and timely.

B

Entering 1951-S Notices Sent

Exhibit 1 should list all FmHA Instruction 1951-S primary and preservation loan servicing notice packages sent after October 1, 2002. It should also include any notice packages sent in Fiscal Year 2002 where the borrower's *complete* loan servicing package was *received on or after October 1, 2002*. This information can be obtained from 540 Reports retained in the County Office Operational files and the converted AGCREDIT data now residing in the MAC database.

After all of the FmHA Instruction 1951-S notice packages meeting the above criteria have been identified and the borrower's names have been entered in Column 1 of Exhibit 1, the Compact Borrower History Report for each borrower will need to be reviewed to determine whether a complete application was received. If a complete application was *not* received, *no further entries are necessary* on the report for that borrower. If a *complete application was received*, enter the date the complete application was received in Column 3 of Exhibit 1, and calculate the 60-day due date for FSA's final action to be shown in Column 4.

Continued on the next page

4 Reports, *Continued*

C

Entering Complete Applications Received and FSA Completion Codes

For the purpose of the report for this goal, the term "process a request for Primary Loan Servicing" is defined as FSA's accomplishment and entry into MAC (formerly AGCREDIT), of any of the following activities *in response to a complete FmHA Instruction 1951-S loan servicing action*:

- Date of completion of, and signing for approval or denial of, the DALRS program.
- Date FSA Handbook 1-APP loan servicing denial letter was issued.
- Date Exhibit F of FmHA Instruction 1951-S was issued.
- Date Exhibit E of FmHA Instruction 1951-S was issued.
- Date Attachment 5, 5-A, 9, or 9-A of Exhibit A to FmHA Instruction 1951-S was issued.
- Date "OTHER" activity code was entered into MAC (formerly AGCREDIT) causing the loan servicing activity to end, (i.e. the date the borrower filed a petition in Chapter 7 Bankruptcy, the date the borrower requested the FmHA Instruction 1951-S application be converted to a debt settlement action under FmHA Instruction 1956-B, etc.).
- Date of borrower resolution of delinquency through payment in full, payment to bring account current, etc. when entered in MAC (formerly AGCREDIT) to end servicing.

Note: For the purposes of this report and the completion of the code to be entered in Column 5 of the report, count only the first of these activities following *receipt of a **complete** FmHA Instruction 1951-S loan servicing application*.

These possible completion activities have been assigned a "Completion Action Code" in the legend shown at the bottom of the first page of Exhibit 1. Enter the appropriate code in Column 5 to identify the activity that "completed" FSA's decision on the borrower's complete loan servicing request.

Note: If the date entered in Column 3 for the receipt of a complete application during the *fourth* quarter is on or after August 4, 2003, and FSA's completion action was not completed by October 1, 2003, enter "N/A" in Column 3.

5 Contacts

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Contact Persons

If questions arise concerning the FY 2003 Performance Goals for FLP, or the quarterly report required for Loan Servicing Goal No. 4, please contact your Farm Loan Manager, District Director, the Farm Loan Programs Section in the State Office.

FY 03 PRIMARY LOAN SERVICING PROCESSING TIME

FSA County Office: _____

Report Completed By: _____

1951-S Loan Servicing Notices Sent		Complete 1951-S Loan Servicing Applications Received					
(1)	(2)	(3)	(4)	(5)	(6)	(7)	
Borrower Names	Date 51-S Notices Sent	Date of Complete Application	60 Day FSA Due Date	Completion Action Code	FSA Completion Action Date	No. Days Between (3) and (6)	
1							
2							
3							
4							
5							
6							
7							
8							
9							
10							
11							
12							
13							
14							
15							
16							
17							
18							

Legend for Completion Action Codes (Column 5):Code No.Completion Action Code Description

1. Completion of, and signing for approval or denial of the DALRS Program.
2. 1951-S Loan Servicing Denial letter sent.
3. Exhibit F issued.
4. Exhibit E Issued.
5. Attachment 5, 5-A, 9, or 9-A issued.
6. "OTHER" action taken (i.e. borrower filed Ch. 7 Bankruptcy, requested complete application be converted to 1956-B debt settlement action, or other action taken to end 1951-S activity).
7. Borrower paid current or paid in full.
- N.A. Complete Application Received ON OR AFTER 08-04-03 and FSA final action not completed by 10-01-03.

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Exhibit 1

[illegible]